



Message from Board Member Ma:

Summer is here and with it comes many opportunities to have fun in the sun! Learn about how solar panels affect your property taxes in “Dear Kathryn” on page 2 and about reports of a tax scam on page 3. Did you know there are property tax exclusions to help those aged 55 and older reduce their property tax burdens when purchasing a new home? Information about those exclusions can be found on page 3. I hope everyone has a Happy Father’s Day!

As always, if I can be of service, please call me or members of my team at (415) 557-3000 or send me an email at Fiona.Ma@boe.ca.gov. We look forward to hearing from you.

In Peace and Friendship,

Fiona Ma, CPA

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DEAR KATHRYN.....

Dear Kathryn is a section of the newsletter that addresses real taxpayer questions.



Dear Kathryn:

I'm thinking about installing solar panels on my home. Will the addition of a new solar system be exempt from property taxes? If so, how do I apply for the exemption?

- Kevin

Dear Daniel:

Generally, the construction or addition of any active solar energy system is excluded from property tax assessment until the property changes ownership. Please keep in mind that a qualifying solar energy system does not include solar swimming pool heaters or hot tub heaters.

There is no form or filing required to receive the exclusion. This exclusion is usually granted by your County Assessor when you submit a copy of the building permit. If you think you have been assessed for the installation of an active solar energy system, you should contact your [County Assessor](#).

For more information regarding the Solar New Construction Exclusion, please refer to the Board of Equalization's Frequently Asked Questions, which is available online at http://www.boe.ca.gov/proptaxes/faqs/solar_faq.htm.

--KATHRYN

Send questions to Fiona.Ma@boe.ca.gov with the subject title "Dear Kathryn."

Franchise Tax Board's (FTB) Summary of Federal Tax Changes

To help you better understand the extent of the federal changes and their impact on California's tax laws, FTB's Legislative Services Bureau recently released their [Summary of Federal Tax Changes](#). This report is required by law to be submitted to the legislature annually. It is available online at www.ftb.ca.gov. This report explains the new 2017 federal laws along with the effective dates and the corresponding California law (if any) including an explanation of any changes made in response to the new federal law. It also contains citations to the section numbers of federal public laws, the Internal Revenue Code, and the California Revenue and Taxation Code sections impacted by the federal changes. Finally, the report includes a listing of provisions expiring in California tax law.

Beware Tax Scams

The Board of Equalization (BOE) has received reports of threatening scam attempts to fraudulently collect alleged tax debts. The BOE investigates all reported scam attempts. Taxpayers typically receive a call from someone claiming to be a police officer/government official. The caller demands immediate payment for a tax liability and threatens the taxpayer with arrest. In some cases, the caller has personal identifying information about the taxpayer or claims to know details about a taxpayer's tax liability or the caller provides the taxpayer with a fake badge number and a contact number for a local police department. If contacted, **do not make any payment or provide confidential information.** You can confirm the call was from a BOE employee and/or report the call details of a possible telephone scam by calling our BOE Customer Service Center at 1-800-400-7115. For more information, visit https://www.boe.ca.gov/help/tax_scams.htm.

Property Tax Exclusions – Propositions 60 and 90

Generally, in California when you buy a new home, your new property is normally appraised at its full market value at the time it is purchased. Because property generally appreciates over time, the base value of a newly purchased home will increase; therefore, your property taxes will increase. Higher property tax burdens can make it difficult for senior citizens with a fixed or limited income to purchase new property later in life.

Propositions 60 and 90 offer property tax exclusions to help those aged 55 and older reduce their property tax burdens when purchasing a new home. Proposition 60 allows you to transfer your current property's assessed value into a new replacement property *within the same county*, thereby preventing an increase in property taxes. The new replacement property must be of equal or lesser value than the original property being sold. Both the original and replacement property must be the owner's principal place of residence and be eligible for either the Homeowners' Exemption or the Disabled Veterans' Exemption. Proposition 60 only allows you to transfer your base tax value within the same county. Proposition 90 extends the provisions of Proposition 60 to a replacement property that is located *within a different county* than the original property. Each county has the discretion to allow such transfers. Currently, the following eleven counties have passed an ordinance authorizing intercounty transfers – Alameda, Orange, San Diego, Tuolumne, El Dorado, Riverside, San Mateo, Ventura, Los Angeles, San Bernardino, and Santa Clara. To file for a Proposition 60/90 exclusion, you must submit a claim form, *BOE-60-AH, Claim of Person(s) at Least 55 Years of Age for Transfer of Base Year Value to Replacement Dwelling* to the county assessor where the replacement property is located. This form is available from your [County Assessor's Office](#). For more information regarding Propositions 60 and 90, please visit the Board of Equalization's website at www.boe.ca.gov/proptaxes/faqs/propositions60_90.htm.





UNDER THE DOME: *Updates on Legislation*

I've always fought to make sure laws are fair and equitable for all. To get the latest updates on legislation I am active on, please visit www.boe.ca.gov/ma/legislation/.

Senator Bob Hertzberg (D-Van Nuys) and Vice Chair of the California State Board of Equalization Member Fiona Ma, CPA have proposed legislation ([Senate Bill 930](#)) to create a banking fix for legal cannabis business in California. Though Proposition 64 legalized adult-use cannabis in California, cannabis related businesses remain unable to deposit their income with federally-insured financial institutions. This is a massive industry that we can only expect will continue to grow; yet cultivation, distribution, and retail businesses alike have been forced to operate on a cash-only basis. This is not only impractical from an accounting perspective, but it also presents a significant public safety issue.



SB 930 would allow the licensure and regulation of cannabis limited charter banks and credit unions that would provide limited banking services to cannabis related businesses, including:

- Pay state and local taxes and fees,
- Pay vendors from California for goods and services provided to the cannabis business,
- Pay rent, and
- Purchase state and local bonds and other debt instruments.

Department of Finance estimates that the state will collect \$600 million in cannabis taxes in the upcoming year. Unlike most businesses, however, cannabis businesses arrive to government offices with duffel bags of cash to fulfill their tax obligations. Standard oversight and accountability measures, like audits, become very difficult when most transactions are completed in cash.

SB 930 has passed out of the Senate Committees and is continuing along on the legislative process.

Traveling Around District 2



Did you know BOE's District 2 has 23 counties down the coast from the Oregon border to Santa Barbara?

This month's District 2 spotlight is on Monterey County. Monterey County's 3,771 square miles is home to a population of more than 435,000 living in 12 incorporated cities and 16 unincorporated areas. It has 99 miles of coastline and parts of Monterey can reach elevations of 5,500 feet. Monterey is home to beautiful beaches and sand dunes, marine reserves with amazing wildlife such as otters and whales, Fort Ord National Monument, the legendary golf course Pebble Beach, Big Sur, Bixby Bridge along Highway 1, artistic locales with galleries and boutiques, beautiful scenery along Highway 101, wineries, locally grown agriculture such as artichokes and lettuce, and historic California missions. Did you know the HBO Show *Big Little Lies* is filmed in and is based on Monterey? For more about Monterey, visit www.co.monterey.ca.us/.

The BOE periodically reviews the practices and procedures (surveys) of specified county assessors' offices. You can read Monterey County's Assessment Practices Survey online at www.boe.ca.gov/proptaxes/pdf/27apsr1013.pdf.

World Oceans Day – June 8

California is home to miles of beautiful coastline along the Pacific Ocean, with many counties located in District 2. Did you know the Monterey Bay National Marine Sanctuary has been called the "Serengeti of the Sea"? It stretches along the central coast from San Francisco to Cambria and has beautiful beaches, tide pools, kelp forests, and is teeming with wildlife from whales, sea otters, pelicans, to sharks. It's deepest point is 12,713 feet – deeper than the Grand Canyon. On this World Oceans Day, celebrate our blue planet and work to protect our ocean by cleaning a beach of cigarette butts and plastic, volunteer for an organization helping to protect our oceans, make safe and sustainable seafood choices, recycle and reduce use of plastic products, or support organizations researching ways to help our oceans. For more information about the sanctuary, visit montereybay.noaa.gov/welcome.html.



California State Board of Equalization Member Fiona Ma, CPA with Aris Alexander.

IN OTHER NEWS...

World Blood Donor Day

Did you know June 14 is World Blood Donor Day? The World Health Organization (WHO) states this event serves to thank voluntary, unpaid blood donors for their life-saving gifts of blood and to raise awareness of the need for regular blood donations to ensure the quality, safety and availability of blood and blood products for patients in need. Transfusion of blood and blood products helps save millions of lives every year. It can help patients suffering from life-threatening conditions live longer and with a higher quality of life, and supports complex medical and surgical procedures. It also has an essential, life-saving role in maternal and child care and during the emergency response to man-made and natural disasters. It was during an attempt to give blood that I found out that I had Hepatitis B (HBV), a virus that causes 80 percent of all liver cancer cases if left untreated, and often shows no symptoms until it is too late. I didn't know that Asian Americans tend to be infected at higher rates with HBV. I wasn't aware that HBV can lead to liver cancer and 240 million people worldwide are living with HBV. Many people don't know that most people get HBV at birth from a chronically infected mother who transmitted it to her child during the birthing process, which is how it was transmitted to me. There are so many misconceptions. I was inspired to found San Francisco Hep B Free, the largest and most intensive health care campaign for the Asian American Pacific Islander community in the United States to help raise awareness about HBV. Giving blood can save lives, yours and others who need it. For more information on World Blood Donor Day, visit www.who.int/campaigns/world-blood-donor-day/2018/event/en/. For more information about San Francisco Hep B Free, visit www.sfhhepbfree.org.

NONPROFIT SPOTLIGHT: Stern Grove Festival Association

For more than 80 years, the Stern Grove Festival has provided Bay Area residents and visitors with admission-free access to diverse performances of culture and the arts in what has become a staple summer Sunday activity for thousands of attendees. In 1931, Rosalie M. Stern purchased and gifted Stern Grove to the City and County of San Francisco in memory of her late husband and civic leader Sigmund Stern. The gift came with the single stipulation that the grove be utilized for free music, dance, and theater performances for the public's enjoyment. The festival that was eventually created in 1938 remains a spectacular example of the Bay Area's rich cultural and artistic tradition. For more information: www.sterngrove.org/#concerts.



Fuel Fact

May 21, 2018 – The average price in California for regular gasoline was \$3.618. The national average for self-serve regular is at \$2.923, up 5 cents from the previous week. This is 69.5 cents lower than the price of regular in California. For more information on gas prices, visit www.energy.ca.gov/almanac/petroleum_data/#fuel_price_data.



Did You Know

As with their seahorse relative, male leafy sea dragons carry their mate's eggs until the eggs hatch. Leafy sea dragons don't live on tropical reefs, but in the cooler rocky reefs off South and Western Australia. These rare fish, with their leaf like fins and frilly appendages, are beautifully camouflaged among seaweeds and seagrass beds. Leafy sea dragons are frequently targeted by collectors who sell them to the pet trade and for use in Asian medicines. Sport divers often chase them to try to get the perfect picture. The Leafy Sea Dragon was one of the featured animals at the 2009 Secret Lives of Seahorses exhibit that ran at the Monterey Bay Aquarium, the Aquarium's most popular temporary exhibit ever. The Monterey Bay Aquarium opened its doors to 10,681 people on its first day on October 20, 1984. In 1986, the Aquarium appeared in *Star Trek IV: They Voyage Home*. Today, more than 35,000 creatures representing over 550 species fill 34 major galleries. With nearly 200 exhibits in all, the Aquarium is a window to the wonders of the ocean. Thank you to the Monterey Bay Aquarium for these interesting facts!



Happy Father's Day!

My father brings joy into my life and I am grateful I am able to see him every day since my parents and I live together. My father, Dr. William Ma, was a mechanical engineer who later specialized in construction claims and litigation before he retired. I am very proud of my accomplished father! He has a Bachelor of Science in Mechanical Engineering from the University of Saskatchewan in Canada, a Master of Science in Mechanical Engineering from National College in England, received a fellowship for his Ph.D in Mechanical Engineering from Glasgow University in Scotland, his Master of Business Administration from Columbia University in New York, and was a Licensed Professional Engineer. He was an adjunct professor at New York University, was a speaker at more than 500 seminars throughout the U.S. and Canada, and holds a patent. I am very lucky to have a strong father who was always positive and supportive of whatever I wanted to do. I grew up with an open mind to try a lot of things and was always encouraged to give it my best effort. Now that he's retired, he loves to play ping pong and continues to support me in all my endeavors. To him and all the Fathers out there, I wish you a Happy Father's Day!



MaSquad on the Road



Second Harvest Food Bank of Santa Cruz County is the oldest food bank in California and the second oldest in the nation.



Congratulations to this year's San Francisco Chinese Restauranters.



Talking to women business owners at the Paramount Chamber of Commerce.



The Grammy Museum educates and inspires all visitors about the enduring qualities and cultural significance of popular and classical music.



Ending childhood poverty one red nose at a time!



Check out the Santa Cruz Beach Boardwalk, the largest seaside amusement park in the country. It has been in the Canfield family for 4 generations.



Annual Memorial Day ceremony at the Presidio with Lt Col Wallace I. Levin (Army).



Using the train to travel whenever possible helps my carbon footprint.

Thank You for Your Support

If you have a question, my office can help provide you with assistance and resources. Email me directly at fiona.ma@boe.ca.gov or call my offices in Sacramento at 916-445-4081 or in San Francisco at 415-557-3000.

In addition, if you want to view some of the Board decisions or watch us live at the monthly Board hearings, please access www.boe.ca.gov and choose the webcast option under Board Hearings.

Representing the interests of taxpayers in a district of nearly ten million Californians in 23 counties, I am committed to working to ensure the agency treats all taxpayers with respect and dignity. As your BOE representative, I will continue to ensure that taxpayers are being heard in Sacramento. It is truly an honor to serve you.

Newsletter Subscription

If you are interested in receiving a digital copy of my monthly newsletter straight to your inbox, please subscribe at this link: www.boe.ca.gov/ma/newsletters/

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